

**MAY 15, 2012, CITY COUNCIL MINUTES  
SPECIAL MEETING  
BUDGET WORKSHOP**

The City Council of the City of Clinton, North Carolina, met in a special budget workshop at 6:00 PM on May 15, 2012, in the City Hall Training Room. Mayor Starling presided. Councilmembers Strickland, Turlington, Stefanovich, Becton, and Mayor Pro Tem Harris were present.

Also present were City Manager Connet; Assistant City Manager – Finance Director Shawn Purvis; Police Chief Mike Brim; Interim Fire Chief Robert Swiger; Human Resource Manager Lisa Carter; Public Works Director Jeff Vreugdenhil; Planning and Zoning Director Mary Rose; Recreation Director Judi Nicholson; and City Clerk Elaine F. Hunt.

Also present were Kimberly Moore, Intern; North Carolina League of Municipalities' representatives: Steven Lee, Bob Haynes, and Lisa Kinsey.

Chris Berendt, of the Sampson Independent, was also present.

City Clerk Elaine F. Hunt blessed the meal.

Mayor Starling called the budget workshop to order.

**NCLM RISK MANAGEMENT SERVICES**

City Manager Connet welcomed and introduced Mr. Bob Haynes to the group. Mr. Haynes distributed packets to the group regarding an update of the Risk Management Services and their Annual Report for FY 2010-2011. Mr. Haynes stated that approximately \$35 million is set aside to pay claims. He stated that their goal is to provide coverage, stability, and long term. He spoke to the group regarding the net assets, loss ratios, expense ratios, etc., of the Health Benefits Trust, Workers' Compensation Trust, and Property/Liability Insurance Trust. **(SEE ATTACHMENT #1).**

Mr. Haynes stated that incentive credits are provided to municipalities based on longevity and loss experience. He stated that the City of Clinton has received incentive credits totaling approximately \$87,000+ in Property/Liability and \$81,400 in Workers' Compensation over the past years.

Mr. Haynes concluded by stating that the North Carolina League of Municipalities provides great services. He and the other NCLM representatives exited the room at approximately 6:47 PM and we proceeded to the budget presentation by Assistant City Manager-Finance Director Shawn Purvis.

**BUDGET**

Assistant City Manager Purvis distributed a handout and presented a PowerPoint concerning the FY 2012-2013 Budget. He first stated the goals: (1) welcoming neighborhoods and public spaces (2) quality job growth (3) sound and sustainable infrastructure (4) enhanced quality of life and (5) affordable and

varied housing opportunities. He presented the non-major funds overview which included Community Development, Cemetery, Downtown Special District, and the Fire Department Special. City Council questioned the Fire Department Special and Mr. Purvis stated that this money remains within the Fire Department.

Mr. Purvis discussed the Water and Sewer Fund to include key points such as:

- Residential water and sewer use is down
- Commercial and industrial water and sewer is up
- Meter program has been successful in recapturing lost revenue
- Sewer surcharge fees up significantly over the past three years
- More than sufficient reserves, use to balance FY 2012-2013 budget for \$229,000 in WWTP capital costs
- Total capital costs \$444k
- Total debt service \$840K
- Only the Public Works Director classification affected in study
- COLA increase of 1%

Mr. Purvis stated that no rate increase is being proposed for Water and Sewer. He further emphasized that the Water and Sewer Fund is healthy. He stated that \$229,000 is needed to improve the Wastewater Treatment Plant. He pointed out to City Council that within the proposed budget, \$100k has been added for an annual sewer line maintenance program.

Mr. Purvis presented the General Fund overview:

- Sales tax continues to increase with the improving economy
- The restructuring of the Fire Department represents the largest increase in expenditures
- Fund balance at approximately 42%
- Total capital costs \$514k
- Total debt service \$398k
- COLA increase of 1%
- Classification study effect: Admin, Finance, Planning, Recreation, Police, and Public Works

Mr. Purvis briefed City Council on the various General Fund department budgets. **(SEE ATTACHMENT #2)** It was noted that within the Recreation & Parks budget, capital includes \$35k for a dump body truck and \$11k for a field rake—which will only be purchased if revenues are realized from fundraising effort(s). Mr. Purvis noted that within the Fire Department budget, the primary increase is in salaries at 9% and associated line items (FICA, retirement, gear, workers compensation, etc.) He stated that the 24-hour shifts have begun at the Fire Departments which will include Beaman Street station. Regarding the Fire Department, Mr. Purvis concluded that one more payment is owed on the Fire Truck #1416.

Assistant City Manager-Finance Director Purvis stated that there is a 50% increase in fuel for the Police Department. He stated that capital for the Police

Department includes two vehicles and cameras for half of the patrol vehicles. He proposed to purchase cameras every four years. He stated that there is a decrease from the current year budget due to a reduction in supplies.

Chief Brim stated that this decrease is due to Lt. Timmy King implementing a program of the return of old uniforms. He stated that before an officer can purchase new uniforms, he/she has to return the old uniforms.

Mr. Purvis requested guidance from City Council regarding the recent wrecked garbage truck. He stated that a new garbage truck cost approximately \$190,000 and our insurance carrier will be giving the City only \$25,000 for the old truck. He stated two options:

- a. Finance a new garbage truck and payments will begin in the FY2013-2014 Budget; or
- b. Obtain money from fund balance to purchase a garbage truck

Councilmember Strickland questioned buying a used garbage truck and immediately, Public Works Director Vreugdenhil stated this would not be a good idea. Mayor Starling, with the consensus of City Council, directed Mr. Purvis to obtain more information regarding the purchase of this garbage truck.

Mr. Purvis told the group that there is proposed a reduction in Grounds and Cemetery, due to, the elimination of a position and transition to inmate labor instead of temporary employees.

Mr. Purvis proposed:

- Increase in residential garbage fee from \$13.50 to \$14.50 per month
- Implementation of \$30 per month cardboard container rental fee
- Implementation of Fire Department service fees in response to vehicle accidents and haz-mat calls

He recommended an increase in cemetery plot fees over the next two budget cycles. He stated that cemetery rates are extremely low and not in line with others—privately or publicly. Mr. Purvis recommended increasing cemetery plots to \$300 per plot in the FY2012-2013 Budget. He stated that there is a \$162,000 gap in General Fund that staff is trying to diminish.

City Manager Connet asked Mayor and City Council to “digest” what had been presented.

### **RESOLUTION—INSTALLATION OF HANDICAP ACCESSIBLE RAMPS**

City Manager Connet stated that NCDOT has requested that City Council approve a Resolution Supporting the Installation of Handicap Accessible Ramps on McKoy Street, Ferrell Street, and Butler Avenue. He stated that there is funding for this project. He further stated that NCDOT will do the work and obtain the money.

Upon a motion made by Councilmember Stefanovich, seconded by Mayor Pro Tem Harris, the following resolution was unanimously adopted:

**RESOLUTION IN SUPPORT OF THE NORTH CAROLINA DEPARTMENT OF TRANSPORTATION INSTALLING HANDICAP ACCESSIBLE RAMPS ON SIDEWALKS WITHIN THE CITY OF CLINTON**

**WHEREAS**, City Council has sought to enhance the City of Clinton by beautification with clean safe neighborhoods; and

**WHEREAS**, there are several locations along Butler Avenue, Ferrell Street, and McKoy Street where the sidewalks are not handicap accessible; and

**WHEREAS**, there is NCDOT funding available to install handicap accessible ramps along these streets; and

**WHEREAS**, the City Council of the City of Clinton desires to improve safety along these routes.

**NOW, THEREFORE, BE IT RESOLVED** that the City Council of the City of Clinton, North Carolina fully supports the proposal set forth by the North Carolina Department of Transportation to install handicap accessible ramps along Butler Avenue, Ferrell Street, and McKoy Street.

**BE IT FURTHER RESOLVED** that a copy of this resolution be forwarded to the North Carolina Department of Transportation.

Being no further discussion and upon a motion made by Councilmember Stefanovich, seconded by Mayor Pro Tem Harris, and unanimously passed, the meeting was continued until Wednesday, May 23, 2012, at 6:00 PM, instead of, Thursday, May 24, 2012, which was previously approved.

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Elaine F. Hunt, MMC, City Clerk

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Lew Starling, Mayor

**Adjourned: 8:03 PM.**